

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN STEVE VICK**, on February 17, 2001 at 8:15 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Steve Vick, Chairman (R)
Rep. Dave Lewis, Vice Chairman (R)
Rep. Matt McCann, Vice Chairman (D)
Rep. John Brueggeman (R)
Rep. Rosalie (Rosie) Buzzas (D)
Rep. Tim Callahan (D)
Rep. Edith Clark (R)
Rep. Bob Davies (R)
Rep. Stanley Fisher (R)
Rep. Dick Haines (R)
Rep. Joey Jayne (D)
Rep. Dave Kasten (R)
Rep. Christine Kaufmann (D)
Rep. Monica Lindeen (D)
Rep. Jeff Pattison (R)
Rep. Art Peterson (R)
Rep. Joe Tropila (D)
Rep. John Witt (R)

Members Excused: None.

Members Absent: None.

Staff Present: Paula Broadhurst, Committee Secretary
Taryn Purdy, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 324 HB 344 HB 602 HB 598,
2/14/2001
Executive Action: HB 196, HB 232, HB 435, HB 214

HEARING ON HB 602

Sponsor: Rep. James G. Whitaker, HD 41, Great Falls

Proponents: Scott Waldron, Fire Chief, Frenchtown Fire District, Pat Clinch, President, Montana State Council of Professional Firefighters, John Semple, Montana Fire Alliance, Mike O'Connor, Director, Montana Public Employee Retirement Administration

Opponents: None.

Opening Statement by Sponsor: Rep. James G. Whitaker, HD 41, Great Falls, introduces HB 602 which allows certain employers to participate in Firefighters' Unified Retirement system.

Proponents' Testimony:

Scott Waldron, Fire Chief, Frenchtown Fire District, spoke in favor of HB 602 and commented that this bill would allow all public safety employees' systems in the state to be under a 20 year retirement program.

Pat Clinch, President, Montana State Council of Professional Firefighters spoke in favor of HB 602 stating that this bill would allow departments to opt into the firefighters unified retirement system as soon as they can and allow new members to come into firefighters retirement.

John Semple, Montana Fire Alliance, spoke in favor of HB 602.

Mike O'Connor, Director, Montana Public Employee Retirement Administration, passed around a draft of the fiscal note **EXHIBIT**(aph40a01), and spoke in favor of HB 602.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

Rep. McCann asked how people qualify for the retirement.

Mike O'Conner answered that if they are paid firemen they are able to be in the retirement system and that there are different groups and that this bill would allow all firefighters, whether full or part-time, to participate in the retirement.

Rep. McCann asked what kind of pay makes one eligible to be a firefighter, and is there a limit that is required.

Pat Clinch answered that currently a hired firefighter must meet the qualifications of being under 34 at the time of original appointment, must be physically qualified, and be appointed under the city commission. By adding the rural firefighting districts, this would mean they would have to be paid members of that fire department and would have to be approved by their board of trustees.

{Tape : 1; Side : A; Approx. Time Counter : 15.7}

Rep. Pattison asked what the age was to qualify for retirement.

Pat Clinch answered that they must be under the age of 34 at the original time they are hired.

Rep. Pattison stated that his concern is in rural communities there is getting to be fewer people under the age of 34 and if there is any consideration into taking that into account.

Pat Clinch stated that he is not sure if they had discussed anything like that and that firefighting is a young persons game.

Rep. Kasten asked about how strictly volunteer fire departments would enter into this retirement program.

Pat Clinch answered that they will probably qualify under the current Volunteer Firefighters Retirement System which is a complete separate system.

Rep. Kasten asked what the age limit is for volunteer firefighters to qualify for retirement.

Pat Clinch wasn't sure about the rural districts current law.

Rep. Lewis asked if this bill would allow firefighters to get out of PRS and get into the Firefighters Unified Retirement System, and that PERS is a fully funded system and is very strong financially and is the only reason to leave the PRS system to get earlier retirement.

Pat Clinch answered that is correct.

Rep. Vick asked why does it cost more to have them in the FURS retirement system vs. the PERS retirement.

Pat Clinch answered that the primary reason for the increase in cost is because they do retire at an earlier age.

Closing by Sponsor:**Rep. Whitaker** closes on HB 602.

{Tape : 1; Side : A; Approx. Time Counter : 22.7}

HEARING ON HB 324

Sponsor: Rep. Jeff Mangan, HD 45, Great Falls

Proponents: Wendy Young, WEEL

Opponents: None

Opening Statement by Sponsor:

Rep. Jeff Mangan, HD 45, Great Falls, opened on HB 324 which would require licensure for drop-in daycare and explained to the committee the need for drop-in daycare.

Proponents' Testimony:

Wendy Young, WEEL, spoke in favor of HB 324 and explained to the committee how she has used drop-in daycare and how they never know how many children they will have at any given time and that this bill would make sure that they are licensed to handle the demand.

Informational Witness:

Hank Hudson, Department of Health and Human Services, clarified that the cost of licensing drop in day-care centers could be accommodated under the current and future child care block grant funding.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

Rep. Buzzas asked if this would be absorbed with the federal money that DPHHS is getting.

Hank Hudson answered that there would be no additional general fund needed for this licensing position because child care development fund money will be increasing if they find a match to draw off of.

Rep. Buzzas asked why it takes an additional staff person.

Hank Hudson stated that the licensing is done by another division and is done by people placed around the state in regional offices

but that there has been talk of centralizing it and having one person do it.

{Tape : 1; Side : B; Approx. Time Counter : 3}

Rep. Lewis asked that if this bill were tabled and they added language to HB 2 that said they would like DPHHS to license drop in day-care centers that it could be done.

Hank Hudson answered that they would need the statutory authority to write the rules to license.

Rep. Haines asked how many day care centers, roughly, are licensed now in the state.

Hank Hudson answered more than a thousand.

Rep. Haines asked if this is significant in numbers compared to what are already licensed and regulated.

Hank Hudson answered that it is the creation of a new category so there will be some work in developing the rules and training people how to do it, but it is not a large number of facilities.

Rep. Witt asked if this FTE's responsibility is to go around the state and do inspections and is this FTE being added to do other jobs also commenting that there doesn't appear to be enough work for an FTE.

Rep. Mangan answered that there is a tremendous amount of work and there are over a thousand day cares in homes that need to be licensed and reviewed.

Rep. Buzzas asked if some of the drop-in day cares are licensed as regular day care centers.

Rep. Mangan answered that the centers that are currently operating truly as just drop in day care centers are not licensed and there are a few centers that are licensed as regular day care centers.

Rep. Buzzas asked how they came up with numbers on the amount of children allowed of different ages at the drop in day care centers.

Rep. Mangan answered that it came from committee and originally they had any number, but there was concern so they set a number.

Rep. Buzzas asked that there are day care standards in place and doesn't understand why they are hiring a person at the state level when the licensure procedure happens with field staff so if they are gonna add additional staff put it out where the actual workers are having to go out and do these studies.

Rep. Mangan answered that he believes the FTE is needed and is more than sitting in an office, there are on sight inspections required that some assistance is needed.

Rep. Vick asked if one is to be licensed, does it cost to be licensed.

{Tape : 1; Side : B; Approx. Time Counter : 19.3}

Rep. Mangan answered that no it does not.

Rep. Vick asked if what they are trying to do is to ensure there are certain life safety issues that are met in the day cares.

Rep. Mangan answers yes, quality issues, safety issues, and staff issues.

Rep. Vick asked if it is going to have any effect on the cost of day care if many changes are going to be made, if it will increase the cost of day care to the parents.

Rep. Mangan answered that he will address that in his close, and that currently drop in day care is the most expensive day care of any type and that he doesn't believe this will increase the cost.

Closing by Sponsor:

Rep. Mangan closes on HB 324.

HEARING ON HB 598

Sponsor: Rep. John Brueggeman, HD 74, Polson

Proponents: Don Allan, Western Environmental Trade Association;
Webb Brown, Montana Chamber of Commerce

Opponents:

Opening Statement by Sponsor:

Rep. John Brueggeman, HD 74, Polson opened HB 598, the Government Accountability Performance Act, stating it would give the

Legislature more oversight into what is going on in the different government functions.

Proponents' Testimony:

Don Allan, Western Environmental Trade Association stood in favor of HB 598 and stated that he feels that it is important once in a while for there to be an examination of the various programs in government.

Webb Brown, Montana Chamber of Commerce spoke in favor of HB 598 stating they consider this bill a good government bill and is an opportunity to look at the programs that are out there, review them for efficiency and to go forward with them when they are found in compliance.

Opponents' Testimony:

Sarah Carlson, Executive Director, Montana Association of Conservation Districts spoke in opposition to HB 598 stating that the notion to take a look at programs and make sure the money is being spent correctly within their legal bounds is something that the conservation districts are in support of but are pretty sure that is going on already and see this as deceptive.

EXHIBIT (aph40a02)

Questions from Committee Members and Responses:

Rep. Buzzas asked if the bill has a sunset.

Rep. Brueggeman answered that this bill is only effective through the next biennium.

Rep. Buzzas asked how the list was selected and what was it based on.

Rep. Brueggeman answered that these were slated by the administration some time ago and these programs were considered at the time, some that needed to be looked at.

Rep. Buzzas asked the new FTE's.

Rep. Brueggeman answered that one FTE is delegated to the Legislative Audit Division.

Rep. Kauffman asked about what he is repealing and how it relates to the other programs he mentioned.

Rep. Brueggeman answered that the programs that are slated to terminate in 2003 will have performance audits conducted and on the basis of the audit recommendation they will be reviewed by House Standing Committees and then there will be public testimony of the programs that are up for termination that are recommended by the audit committee to be terminated. So the repeals will deal with the agencies that are numerated in the first part of 2003.

Rep. Kauffman asked if anything is being eliminated in the Department of Corrections.

Rep. Brueggeman answered that there are a few out of every agency and that was the idea to look at some of the programs within every agency.

Rep. Kauffman asked why should there be a stricter standard put on public money spent by public agencies rather than by private companies.

{Tape : 2; Side : A; Approx. Time Counter : 9.9}

Webb Brown answered that the difference is between the involvement of the public in the agencies and the direction of the Legislature in determining which agency should continue includes a variety of issues that are not related to the public programs in the private sector.

Rep. Buzzas asked about the Legislature already bringing scrutiny to these programs when they run them through their subcommittees.

Rep. Brueggeman answered that they do get a good look at the programs but not at the base of them as much and a lot of the programs are not reviewed and that the Legislature doesn't have the expertise to dig to the bottom of the programs like the Audit Division does.

Rep. Buzzas stated that she feels these programs are already scrutinized and questions the need for additional FTE's.

Rep. Vick answered that after serving on the audit committee and seeing the performance audits that they do, there are audits that are done that finds things that the Legislature may or may not have been aware of, but by bringing the auditors in and requiring these programs to be audited it shows that if you run a good program you won't have any problems and have nothing to fear from the auditors, they are fair and work hard.

Rep. Buzzas commented that all she was getting at was accountability.

Rep. Brueggeman stated that this bill forces an expansion of the audit committee and that he feels that is important.

Rep. Kasten asked Sarah Carlson to respond to the fact that this bill would take a look at the overwhelming growth in government.

Sarah Carlson answered that they are interested also in the money being spent wisely and that there is not a disagreement there, but that the process to make sure that there is accountability is already in place with the appropriations process.

Rep. Lindeen asked about the fiscal note and the Montana Constitution.

Rep. Brueggeman answered that he doubts the unified investment program would be terminated.

Rep. Lindeen asked if they can request, without this bill, performance audits.

Rep. Brueggeman answered that yes the Legislature can but this brings a lot more teeth to the audit process.

Rep. Davies asked about the enforcement part in the bill if an auditor turns up some waste.

Rep. Brueggeman answered that at that point the program is sunsetted and that is the teeth involved with making sure they comply with the audit.

Rep. Vick comments on what he has seen from being on the Audit Committee and how this bill would give the programs a little more motivation than just getting the bad performance review.

Rep. Fisher asked if one of the pluses of this bill would be that it would give the agency the opportunity to review the program it is responsible for and also justify that they are doing a good job and gives them the opportunity to tell the Legislature it is a good program and they have been operating it efficiently and that they would like to enlarge it.

Sarah Carlson answered that if this bill passed and were set up, it would be a positive form but that they already have this kind of audit in place.

Rep. Kauffman asked about the current audit system does target specific programs and was wondering if this program will not duplicate programs that have been audited in just the last biennium.

Rep. Brueggeman answered he doesn't believe that any audits were performed on any of these programs from the last biennium.

{Tape : 2; Side : A; Approx. Time Counter : 26.2}

Rep. McCann asked about how are the audits chosen that they do right now within that division.

Jim Pelligrini, Deputy Legislative Auditor for Performance Audits with the Legislative Audit Division, answered that the audits for financial compliance audit are statutorily mandated every two years. He stated that they have requests from Legislative Committees to the Legislative Audit Committee and the Audit Committee then directs them to do performance audits and then they present options to the Legislative Audit Committee every two years.

Rep. McCann comments what it is statutorily what it is that they want this division to recognize as a priority and it should be added in if it is wanted.

Rep. Lewis asked when did the Legislative Audit Division begin.

Jim Pelligrini believes 1969 or 1970.

Rep. Lewis asked that for each one of the programs listed there have been 15 audits done in the last 30 years.

Jim Pelligrini answered that not of the programs but of the agencies that house the programs.

Rep. Buzzas asked if looking at the programs is not part of their financial review.

Jim Pelligrini answered that the scope of the financial compliance audit is determined by areas which have the most risk involved.

Rep. Tropila asked about tax proceeds being eliminated via special revenue accounts and will there be a new method for these accounts to get their monies.

Rep. Brueggeman answered that he doubts some of them will be eliminated and that through these audits it will give better

insight if these programs are operating effectively and perhaps enhance a lot of what they do in the programs themselves.

Rep. Tropila asked that according to the bill the way it is written there will be a big shift in the funding with all monies going to the General Fund instead of statutory and special revenue accounts.

Rep. Brueggeman answers that if some of the programs were to be terminated there would have to be legislation drafted to account for that and they would have to be statutorily de-earmarked and go back to the General Fund.

Rep. Tropila asked why is all the money going into the General Fund.

Rep. Brueggeman answered that is the intention and that if they do see savings they should go back to the general fund.

{Tape : 2; Side : B; Approx. Time Counter : 7.3}

Rep. Tropila asked why are they eliminating the Fire Prevention Investigation Program in this legislation.

Rep. Brueggeman answered that the idea is not to terminate the program but to bring it the table and make sure they are accountable.

Rep. Tropila asked about the technical notes in the fiscal note.

Rep. Buzzas asked about the new section 52 and who is the co-commissioner.

Rep. Brueggeman answered that any new programs created by the Legislature will have to be slated into this system of rolling sunsets.

Rep. McCann asked about what happens if they get a poor audit report and how the process proceeds to where the program is terminated.

Closing by Sponsor:

Rep. Brueggeman closes on HB 598.

HEARING ON HB 344

Sponsor: Rep. Norma Bixby, HD 05, Lame Deer

Proponents: Wendy Young, WEEL; Christine Amundson, National Association of Social Workers

Opponents: Hank Hudson, Department of Health and Human Services

Opening Statement by Sponsor:

Rep. Norma Bixby, HD 05, Lame Deer, opened the hearing on HB 344 and discussed the fiscal note on the bill and passed around two exhibits explaining there is no fiscal impact on the general fund at all. **EXHIBIT(aph40a03)** **EXHIBIT(aph40a04)**

Proponents' Testimony:

Wendy Young, WEEL, stood in support of HB 344 stating the first part of the bill is in response to the Department wanting to change policy and say that in order for someone to go to school they will have to be employed and average of 15 hours per week.

Christine Amundson, National Association of Social Workers, spoke in favor of HB 344. **EXHIBIT(aph40a05)**

{Tape : 2; Side : B; Approx. Time Counter : 26.1}

Opponents' Testimony:

Hank Hudson, Department of Health and Human Services, stood as a mild opponent to HB 344 and somewhat informational and commented that there are no additional TANF related costs in the bill.

Questions from Committee Members and Responses:

Rep. Lewis asked for Hank Hudson to clarify what will come before the committee in HB 2 relating to HB 344.

Hank Hudson answered that HB 344 is not to be confused with the bill sponsored by Rep. Masolo called Parents of Scholars, that the two bills are very different.

Rep. Tropila asked about the language of multi-national ethnicity in HB 344.

Rep. Buzzas asked about the logic of the childcare issue in HB 344.

Hank Hudson answered that they design a plan with each person that in this case would include going to school and doing some

work, and then they ask what kind of childcare arrangements do they have.

Rep. Buzzas asked if the policy of 15 hours a week is removed, couldn't it then be assumed that there would be less of a need for childcare so there might be some additional money going back into the childcare budget.

Hank Hudson answered that it is remarkable how many people don't use subsidize childcare that is available and he assumes it is because they have other arrangements.

Rep. Buzzas asked about background checks being on licensed day care centers.

Hank Hudson answered that a legally un-registered provider, who isn't licensed, it is just a person who watches children, and that for those people they do a background check and they require that they receive 15 hours of training on basic safety issues.

Rep. Kauffman asked about the how this bill is different than the Parents of Scholars bill.

Wendy Young answered that Parents of Scholars limits families who are on assistance.

Rep. Kauffman asked about family members abusing children in their care and if there is any objection to background checks being run on family members who provide day care for children in this program.

Norma Bixby stated that it is another barrier and cost and that a background check on a relative living in the home would not be necessary.

Rep. McCann asked how currently do they make allowances for child care per recipient.

Hank Hudson answered that there are two groups of people who receive child care, those being in the FAIM Program and those who are below 150% of poverty.

Rep. McCann asked if the appropriation within Public Health have enough dollars to project out to pay for this type of program.

Hank Hudson answered that with the current appropriation that is in HB 2, they will have enough.

Rep. Lewis asked about the issue of doing background checks on relatives and what is the Departments past experience.

Hank Hudson answered that at times up to 10% of the background checks they have done have surfaced issues.

Rep. Fisher asked how much does FAIM pay a single mother with child per week.

Hank Hudson answered it is a varying amount based on the size of the family and the other income they might have but average is \$450-500 per month.

Rep. Fisher asked if they were at 100% of poverty, would the \$500 be a good number.

Hank Hudson answered yes, for a family of three.

Rep. Fisher asked about the figures and how much TANF would pay for.

Carlene Grossberg answered Rep. Fisher questions on eligibility.

Rep. Witt asked if they allow these students not to work and receive the 15 hours of time in study or other areas, that there is the possibility that those hours could be spent educating themselves but there is no assurance that that can happen and if those monies are paid to daycare outside of the home, that is a deterrent and there is a better check on what is really happening.

{Tape : 3; Side : A; Approx. Time Counter : 28.8}

Hank Hudson answered that when childcare is paid to a provider outside of the home they have the licensing and registration requirements and they also only reimburse for care that is actually provided.

Rep. Buzzas asked about if this bill would actually decrease the amount of time the Department would have to pay for childcare.

Carlene Grossberg answered that currently they pay for childcare of any activities that are on the family investment agreement.

Closing by Sponsor:

Rep. Norma Bixby closes on HB 598.

EXECUTIVE ACTION

Motion: REP. CLARK moved that HB 196 DO PASS.

DISCUSSION:

Reps. McCann, Buzzas, Pattison

Motion: REP. TROPILA moved that AMENDMENT HB019601.AGP DO PASS.

DISCUSSION:

Taryn Purdy explanation.

Reps. Lewis, Callahan, Fisher.

VOTE: Motion fail 11-7 with Reps. Lewis, Brueggeman, Clark, Davies, Fisher, Haines, Kasten, Pattison, Peterson, Witt, and Vick voting no.

Motion: REP. MCCANN moved that HB 196 BE TABLED.

VOTE: Motion carried 12-6 with Reps. Buzzas, Callahan, Jayne, Kaufmann, Lindeen and Tropila voting no.

Motion: REP. TROPILA moved that HB 232 DO PASS.

Substitute Motion: REP. LEWIS moved that HB 232 BE TABLED.

VOTE: Motion carried 12-6 with Reps. Buzzas, Callahan, Jayne, Kaufmann, Lindeen and Tropila voting no.

Motion: REP. CLARK moved that HB 435 DO PASS.

Motion: REP. LEWIS moved that HB 435 BE AMENDED HB043501.atp.

DISCUSSION:

Reps. Buzzas, Jayne, Callahan, Lindeen, Davies.

VOTE: Motion fail 11-7 with Reps. Buzzas, Callahan, Fisher, Jayne, Kasten, Kaufmann, Lindeen, McCann, Tropila, Witt and Vick voting no.

Motion: REP. KASTEN moved that HB 435 BE TABLED.

DISCUSSION:

Reps. Buzzas, Haines, Peterson, Lewis, Clark.

VOTE: Motion carried 14-4 with Reps. Buzzas, Haines, McCann and Tropila voting no.

Motion: REP. TROPILA moved that HB214 DO PASS.

{Tape : 4; Side : A; Approx. Time Counter : 9.3}

Motion: REP. VICK moved that HB 214 AMENDMENT HB021401.ATP BE AMENDED.

DISCUSSION:

Reps. Witt, Jayne, Tropila, Kaufmann, Vick

VOTE: Motion carried 15-3 with Reps. Buzzas, Haines and Pattison voting no.

Motion: REP. VICK moved that HB 214 DO PASS AS AMENDED.

DISCUSSION:

Reps. Buzzas, Lewis

Committee decides to delay action on HB 214.

ADJOURNMENT

Adjournment: 12:17 P.M.

REP. STEVE VICK, Chairman

PAULA BROADHURST, Secretary

SV/PB

EXHIBIT (aph40aad)